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Taiwan

Promotion Opportunities Report

November 1999

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Market Information:

- Small and delicate packaging for cookies are most popular in Taiwan.
- Fresh fruit/vegetable mixed juice has become popular.
- With the liberalization of Taiwan's liquor market accelerating, many of Taiwan's food companies are preparing to enter the alcohol market.

New Reports:

Taiwan Export Guide
Broccoli and Cauliflower Market Brief
Potato Product Market Brief
Tomato Product Market Brief
Lettuce Product Market Brief

Includes PSD changes:No
Includes Trade Matrix:No
ATO Taipei

PROMOTION OPPORTUNITIES REPORT - TAIWAN

I. Upcoming Promotional Activities/Events

The promotional activities listed below are provided for informational purposes only. No endorsement is implied unless specifically stated. Terms and conditions of participation are the responsibility of the activity organizer. Please contact the organizer directly for further information.

A. Trade Shows

Event: 2000 Taipei International Food Show
Date: June 15-18, 2000
Venue: Taipei World Trade Center Exhibition Hall
Contact: Agricultural Trade Office
American Institute in Taiwan
54 Nan Hai Road, Taipei, Taiwan
Tel: (886-2) 2305-4883; Fax: (886-2) 2305-7073
E-Mail: ato@mail.ait.org.tw
<http://ait.org.tw/ait/AGRI/ato.htm>

The Taipei International Food Show is the largest and most popular trade and consumer (open to consumers for only one day) food show in Taiwan, providing excellent access to local food importers, wholesalers, distributors and retailers. The 1999 event had a total of 510 participants from 30 countries and attracted more than 45,000 visitors. The show organizer of the 2000 show is, as in previous years, CETRA Taipei. The ATO Taipei will organize the American Pavilion at the 2000 Show. Among the pre-show activities planned by the ATO/Taipei are a media briefing, exhibitor breakfast seminar and reception aimed at promoting the American Pavilion, and providing U.S. exhibitors with additional opportunities to learn about the market and gain access to potential local business partners. U.S. companies and Taiwan importers/agents of U.S. food and beverage products wishing to participate in the show should contact ATO/Taipei for further details.

B. Retail In-Store Promotions

Event: 1999 American Food Festival
Date: December 10 - January 6, 1999
Venue: Sinon Supermarkets/Hypermarkets
contact: Agricultural Trade Office
American Institute in Taiwan
54 Nan Hai Road, Taipei, Taiwan
Tel: (886-2) 2305-4883; Fax: (886-2) 2305-7073
<http://ait.org.tw/ait/AGRI/ato.htm>
E-Mail: ato@mail.ait.org.tw

The Sinon Group is planning an in-store promotion in all 30 outlets from December 10 to January 6, 2000. Sinon sent four purchasing officials to visit the States of Washington and Idaho in mid-October. The main purpose of this trip was to purchase products for this in-store promotion. According to Sinon, they will print a 16-page DM featuring American products to distribute to their 500,000 customers in Central Taiwan. They are also negotiating with several local U.S. companies, such as United Airlines, about co-sponsorship of the event. Sinon Supermarket/Hypermarket is the largest retail chain in central Taiwan with 30 outlets. U.S. companies interested in expanding their business with the Sinon Supermarket/Hypermarket are encouraged to contact the Sinon Group directly.

C. HRI Promotions

Following the November Thanksgiving feast, many of Taiwan's hotel restaurants switched their marketing strategies to promote Christmas Eve Celebration and Year-End 'Wei Ya' Party Packages. To show appreciation for the good work rendered by the staff during the year, management always hosts a dinner party for the whole company before the lunar year ends (February 4, 2000). Foods served at the 'Wei Ya' party tend to be either western buffets or Chinese style food banquets. However, western buffets are becoming more popular. Taiwan's hotel restaurants use any occasion to aggressively promote set menus, which are excellent opportunities to promote American foods and beverages. The ATO Taipei works closely with hotel restaurant Food and Beverage managers and executive chefs to introduce American food products and to develop menu selections.

Thanksgiving is the highlight of promotions in November in Taiwan's hotel restaurants. Many hotel restaurants feature turkey, pumpkin pie, and other seasonal food on Thanksgiving Day.

Event: U.S. Chicken/Turkey Sample Tasting/Technical Seminar
Date: January 5, 2000
Venue: Agora Garden Hotel
Contact: John Ho, Taiwan Representative
USA Poultry and Egg Export Council
14F-11, 189 Keelung Road, Section 2, Taipei
Tel: (886-2) 2739-8897
Fax: (886-2) 2739-8797

The USA Poultry and Egg Export Council (USAPEEC) will be sponsoring a turkey/chicken sample tasting/technical seminar at the Agora Garden Hotel on January 5, 2000. The main topic of the seminar is "The Application of U.S. Chicken/Turkey Meat in Mass Food Production." Around 80 food executives from Taiwan's food services in hospitals and institutions are expected to attend

this seminar.

II. Key Market Information

General Economy in Brief

– According to a survey conducted by the Ministry of Economic Affairs (MOEA), ninety-seven percent of small and medium-sized industries in earthquake-stricken areas in central Taiwan resumed production one month after the September 21 earthquake. The survey also said that although export manufacturers have seen some delay in meeting delivery dates in the wake of the earthquake, the delay has not caused the loss of orders.

– Despite the impact of the September 21 earthquake, monthly exports and imports in October both hit record highs of US\$11.46 billion and US\$11.32 billion, up 32 percent and 30.4 percent from the same period last year. The trade surplus during the first ten months reached US\$8.78 billion.

Food Market In Brief

Alcohol Market

Several Taiwan food manufacturers, such as Uni-President, Kuang Chuan, Hey Song, Country House, and King Car are looking to capitalize on the liberalization of Taiwan's alcohol market to claim a share of Taiwan's US\$2 billion alcohol market. The Taiwan Tobacco and Wine Board (TTWB), formerly Taiwan Tobacco and Wine Monopoly Bureau (TTWMB) has been the only manufacturer of alcohol and tobacco for over 46 years. However, it is going to change as Taiwan is gradually liberalizing its alcohol market in preparation for its entry into the WTO. The Taiwan authorities passed the administrative regulation for tobacco and liquor in June, 1999. Private firms are allowed to manufacture fruit wines starting in January 2000, then other alcoholic beverages effective from January 2001, hard liquor effective from January 2002, and finally beer by the end of 2002. Since they have not yet been granted a licence to manufacture alcohol, many companies, as mentioned above, have started to sell imported alcoholic beverages or have asked foreign manufacturers to brew alcohol under license for them. These food companies are selling imported alcohol to better understand the market in preparation for manufacturing alcoholic beverages when the market is completely liberalized. These food companies have strong distribution channels. In addition, many of them own large convenience stores, e.g. Uni-President (7-Eleven) and Kuang Chuan (Hi-Life). According to TTWB statistics, currently, the market is around US\$2 billion, with beer accounting for the largest share at US\$758 million. The TTWB has a market share of US\$1,212 million and imported alcohol has a share of US\$909 million.

Fresh Fruit and Vegetable Mixed Juices

Following 100% chilled fruit juices, fresh fruit/vegetable mixed juice has become a very popular drink item in convenience stores and supermarkets. In the past, Taiwan consumers could not accept the flavor of fruit/vegetable mixed juices. However, due to a rise in greater health consciousness, Taiwan consumers now drink and accept fruit/vegetable mixed juices. In order to further meet consumers' taste, many of Taiwan's juice manufacturers have changed the specification of their products by adjusting the ratio of fruit juice to vegetable juice. For instance, Bomy fruit/juice mixed juice, a popular local brand, has changed the ratio of fruit juice to vegetable juice to 75:25.

Health Foods Have Lots of Potential

It is estimated that the market for health foods is approximately US\$625 million. Many of Taiwan's large food companies, such as Uni-President, Wei-Dan, and Pu-Tao-Wang are currently accelerating their involvement in this business.

The implementation of the new "Health Food Administration Law," effective on August 3, 1999, which strictly defines "health food" has prevented many food companies from marketing their products as "health foods." Under the new law, companies that market health food products must document the beneficial effects of these products. In addition, companies can not claim that their products prevent illnesses. Any product which claims to be a health food will have to receive the Taiwan Department of Health's (DOH) approval before it can be marketed. Those convicted of violating the law will be sentenced to up to three years in prison and a fine of up to approximately US\$30,000. The Uni-President company reportedly has submitted its yogurt product to the authorities for review and for approval as a health food.

Fashionable Consumer Packaging

Many of Taiwan's old and popular brands of cookies have currently changed their packaging. This adaptation was made to meet the latest trends and the requirements from 7-Eleven and other convenience store chains. According to 7-Eleven, the main customers of cookies are working women 25-35 years of age. Cookies with small and delicate packaging are currently the most popular. Therefore, these old brands of cookies were forced to change their packaging to meet the trends. Reportedly, some old products with new faces have good sales in convenience stores.

III. Newly Released Reports

The following updated market briefs are currently available from the ATO/Taipei (<http://ait.org.tw/ait/AGRI/ato.htm>) or from the FAS homepage (<http://www.fas.usda.gov>):

– Taiwan Export Guide

Market overview, exporter business tips, market sector structure and trends, best high value product prospects, key contacts and further information

– Broccoli and Cauliflower Market Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Potato Product Market Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Tomato Product Market Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Lettuce Product Brief

Executive summary, market access, trends in consumption, trade and competition, distribution channels, tips for exporters, list of key importers.

– Ice Cream and Frozen Desserts Market Report

Executive summary, market access, trends in consumption, trade and competition, distribution channels, retail sales, and tips for exporters.

-- Stone Fruits

Summary, market access, trends in consumption, trade and competition, and distribution channels.

-- Candy

Executive summary, market access, trends in consumption, trade and competition, distribution channels, and Taiwan importers.

-- Food Processing/Food Ingredients

Food industry overview, trends, market structure, best prospects, competition, selling to Taiwan food processing companies, import policies/requirements, list of importers/food processors/industry associations

-- Frozen Vegetables/Potatoes

Executive summary, market barriers, market share/competition, frozen corn, frozen potatoes, distribution, labeling, market access/tariffs, list of importers.

-- Indirect Imports Into Taiwan

Direct imports of PRC products are currently banned for political reasons. Indirect imports from the PRC via third territories are mainly raw materials and semi-finished products, such as some vegetable seeds and potato starch.

-- Taiwan Food Service

Executive summary, food service structure, consumer information, how to develop products suited to the market, market segmentation, use of imported food products in the food service industry, opportunities for U.S. exporters, trends, competition amongst fast food chains, other considerations.

-- Taiwan Food Retail

Demographics, distribution channels, factors influencing buying decisions, pricing, what retailers look for judging new products, competition, trends, opportunities for U.S. exporters, best market prospects.

-- Organic Food

General market overview, imported organic foods, organic farming in Taiwan, certification, marketing channels, consumers' perspective of organic foods, and import policy.

-- Seafood

General market overview, U.S. market position, trade restrictions, sanitary/phytosanitary measures, consumer preferences and consumption trends, third-country competition, domestic competition, distribution system, and market promotion.

-- Wine

Market overview, U.S. market position, competition, trade restrictions, distribution, pricing, consumer preference and consumption trends, market promotion activities.

-- Pure juice/juice drinks

General market overview, U.S. market position and competition, pricing, trade restrictions, distribution, consumer preference and consumption trends, market promotion activities, and concentrated juice.

-- Fresh Fruits and Vegetables

General market overview, U.S. market position and competition, pricing, trade restrictions, distribution, consumer preference and consumption trends, market promotion activities, and market promotion activities.

-- Food and Agricultural Import Regulations and Standards (FAIRS report), Taiwan food laws, labeling requirements, food additive regulations, pesticide and other contaminants, other regulations and requirements, other specific standard, copyright/trademark law, and import procedures.

VI. Other Information

1999 Best Prospects for Consumer Ready Foods

- Organic/natural foods
- Frozen/micro-waveable foods/other convenience foods
- Chilled products
- Fresh fruits and vegetables
- Baked products
- Health-oriented (low-fat, high-fiber, and low-cholesterol) snack foods
- Beverages

End Report

The ATO Taipei is currently planning a variety of upcoming promotional events in both the retail and HRI sectors. U.S. companies interested in participating in ATO Taipei promotional activities, should contact the ATO/Taipei directly at:

Agricultural Trade Office
54 Nanhai Road
Taipei, Taiwan
Tel: (886-2) 2305-4883 ext. 286
Fax: (886-2) 2305-7073
E-Mail: ato@mail.ait.org.tw
<http://ait.org.tw/ait/AGRI/ATO.htm>